GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2512
ANSWERED ON:01.08.2016
Allocation of Kerosene
Singh Shri Raj Kumar

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a large quantum of subsidised kerosene is being black-marketed and the poor are getting only about one third of their entitlement on higher price than the fixed price and if so, the details thereof and the reaction of the Government thereto;
(b) whether the Government has made any assessment of the requirement of subsidised kerosene in all villages in view of the large scale electrification and if so, the details and the finding thereof along with the follow up action taken thereon; and
(c) whether the Government has reduced/proposes to reduce the allocation of kerosene in villages which have been electrified and if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) : As per the Report of the National Council for Applied Economic Research (NCAER) of October, 2005, total leakage is estimated at 38.6% of total sale of PDS kerosene and as per Economic Survey 2014-15, estimated leakage of PDS kerosene is 41% of the total allocation of PDS Kerosene made to States/UTs for the year 2013-14.
With a view to reach the PDS kerosene to the targeted beneficiaries, it has been decided to implement Direct Benefit Transfer in Kerosene (DBTK) during 2016-17 in 39 districts identified in consultation with State Governments spread across nine States of the country, namely; Punjab, Gujarat, Himachal Pradesh, Madhya Pradesh, Chhatisgarh, Rajasthan, Jharkhand, Haryana and Maharashtra. Other States/UTs have also been requested to join the Scheme. It has also been decided that the States would be given cash incentive of 75% of subsidy savings during the first two years, 50% in the third year and 25% in the fourth year. In case the States voluntarily agree to undertake cuts in kerosene allocation, beyond the savings due to DBT, a similar incentive would be given to those States/UTs. Preparation to implement DBTK by the participating States is reviewed regularly.
(b) & (c) : The Government of India allocates Public Distribution System (PDS) Kerosene to States/UTs on quarterly basis for distribution under PDS for cooking and illumination only. Further distribution within the States/UTs through their PDS network to various categories of consumers as per their respective criteria, is the responsibility of the concerned States/UTs.
PDS Kerosene allocation of States/UTs have been rationalized since 2010-11, by taking into account, inter-alia, the factors such as increase in domestic LPG/PNG connections, non-lifting of PDS Kerosene quota by the concerned States/UTs etc.
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